

## Message Text

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63

ACTION EUR-25

INFO OCT-01 ISO-00 PM-07 CIAE-00 INR-10 NSAE-00 RSC-01

DODE-00 MC-02 EB-11 L-03 OMB-01 COME-00 TRSE-00

ACDA-19 DRC-01 /081 W

----- 104267

R 121615Z NOV 73

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 9114

C O N F I D E N T I A L BRUSSELS 6431

EO 11652 GDS

TAGS: DEF, BE

SUB: BELGIAN REPLACEMENT OF F-104 G AIRCRAFT (U)

FOLLOWING MSG SENT ACTION USCINCEUR, INFO MAAG NETHERLANDS  
ECON SEC EMBASSY BRUSSELS, POL SEC EMBASSY BRUSSELS FROM  
CMAAG AFSEC BRUSSELS BEL NOV 7, 1973 RPTED  
FOR YOUR INFO;

QTE:

C O N F I D E N T I A L 648

SUB: BELGIAN REPLACEMENT OF F-104G AIRCRAFT. (U)

A. ECJ7-PE, 18136 DTG 301152Z OCT 73

B. CMAAG MSG 241145Z OCT 73.

1. (C) REF B DISCUSSED NEED FOR U.S. GOVE SUPU.SPORT IN MATTER  
OF ECONOMIC COMPENSATION FOR REPLACEMENT ACFT FOR BELGIAN  
F-104G.

2. (C) MAAG BELLUX OFFERS THE FOLLOWING AS A POSSIBLE MEANS  
OF COMPENSATION,WHICH THE US GOVT MAY CONSIDER. IT WOULD  
INVOLVED OFFSET GUARANTEED BY THE U.S. GOVT BUT ACTUALLY  
PROVIDED BY THE FRG.

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3. (C) THERE ARE ONGOING OFFSET NEGOTIATIONS BETWEEN THE FRG

AND U.S. GOVTS CONCERNING COST OF U.S. TROOPS IN FRG. FRG MAY NEED ADDITIONAL ITEMS NOT EASILY PURCHASED FROM THE U.S. THAT COULD BE SUPPLIED BY BELGIUM. EXAMPLES OF SUCH EQUIPMENT COULD BE SMALL ARMS, AVIONIC COMPONENTS, AIRCRAFT ENGINES, ETC. IF SUCH ITEMS COULD BE PURCHASED BY THE FRG FROM BELGIUM AND CREDITED IN BELGIUM TO U.S. OFFSET FOR THE BAF REPLACEMENT ACFT, IT COULD SOLVE THE REQUIRED U.S. OFFSET PROBLEM TO BELGIUM. AT THE SAME TIME, THE U.S. WOULD CREDIT THE FRG IN THE AMOUNT THAT BELGIUM CREDITS THE U.S. FOR ECON OFFSET.

THIS PROCEDURE COULD BE APPLIED TO THE NETHERLANDS OR AGAINST OTHER OFFSET NEEDS IN ANY COUNTRY. AN EXAMPLE OF THE ABOVE FOLLOWS:

A) BASIC SALE OF 120 ACFT AT \$600 MILLION. U.S. COMPANY (NORTHROP WITH P-530 OR LOCKHEED WITH LANCER) THROUGH PLANNED COPRODUCTION WITH BELGIAN INDUSTRY PROVIDES OFFSET IN THE AMOUNT OF 30 PERCENT OR \$180 MILLION.

B) FRG PURCHASES MILITARY EQUIPMENT OR PERHAPS OTHER EQUIPMENT FROM BELGIUM BASED ON ITS OWN NEEDS IN THE AMOUNT OF \$180 MILLION WITH THE GUARANTEE THAT THIS PURCHASE IS CREDITED TO U.S. OFFSET REQUIREMENTS TO BELGIUM.

C) U.S. ACCEPTS THE \$180 MILLION WORTH OF BELGIUM EQUIPMENT PURCHASED BY GERMANY AS PARTIAL FULFILMENT OF FRG OBLIGATION TO U.S. FOR TROOP COSTS.

4. (C) THE ADVANTAGES OF THIS PROPOSAL ARE AT LEAST TWO FOLD. IT GIVES A COMPETITIVE EDGE TO U.S. ACFT INDUSTRY IN SALE OF REPLACEMENT ACFT, AND IT ASSISTS FRG IN MEETING ITS OBLIGATION TO PROVIDE OFFSET TO THE U.S. THERE ARE OBVIOUS POLITICAL AND ECONOMIC CONSIDERATIONS IN THIS PROPOSAL THAT REQUIRE EXTENSIVE STUDY, BUT IT GIVES AN OPPORTUNITY FOR US INDUSTRY TO GAIN WHAT MAY WELL BE THE MOST IMPORTANT FOREIGN MILITARY ACFT SALE FOR THE NEXT 25 YEARS.

GDS-3 1 DEC 79 UNQTE.

STRAUSZ-HUPE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY PROCUREMENT, FIGHTER AIRCRAFT, BALANCE OF PAYMENTS POLICIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 NOV 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 29 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <29-Aug-2001 by rowellE0>; APPROVED <06-Nov-2001 by golinofr>  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BELGIAN REPLACEMENT OF F-104 G AIRCRAFT (U) FOLLOWING MSG SENT ACTION USCINCEUR, INFO MAAG NETHERLANDS  
**TAGS:** MILI, BE  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005